



## **HB09-1293 Oversight and Advisory Board Hospital Provider Fee Meeting Minutes**

303 East 17th Avenue, Conference Room 11 BC

November 17, 2015

### **1. Call to Order**

David Livingston called the meeting to order at 3:10 p.m.

### **2. Roll Call**

There were sufficient members for a quorum.

#### **A. Members Present**

David Livingston, Bill Heller

#### **B. Members on the Phone**

George O'Brien, Kathryn Ashenfelter, Ann King, John Gardner, Tom Rennell, Dan Rieber, Peg Burnette

#### **C. Members Excused**

Dan Enderson, Mirna Castro, Jeremiah Bartley, Chris Underwood

#### **D. Staff Present**

Nancy Dolson, Cynthia Miley, Dan Pace

### **3. Approval of Minutes**

**Bill Heller** motioned to approve the minutes of the October 27, 2015 meeting.  
**John Gardner** seconded the motion. Motion passed

### **4. 2015-16 Hospital Provider Fee Estimate**

- The governor's budget proposal for SFY 16-17 calls for a \$100 million reduction in Hospital Provider Fees
- SFY 16-17 hospital provider fee estimated budget was \$756 million prior to governor's budget proposal

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- Assuming like last year federal approval of new model will be in late spring
- Will continue to collect fees at the FFY 14-15 model level through June 2016
- Do reconciliation to final FFY 15-16 model between July and September
- Assume process will continue on like that so fees and payments will continue on at the FFY 15-16 model level until June 2017
- Impact on FFY 15-16 model since fees won't be collected until SFY 16-17
- Looking to set FFY 15-16 model so that the fees collected do not exceed the proposed budget
- Unreduced FFY 15-16 model approximately \$737 million in fees
- Reduced FFY 15-16 model \$670 million in fees
- July 2015 we had been collecting fees at the FFY 14-15 model amount
  - Needed to reconcile that difference
  - Between July and September collected an additional \$156 million
- Oct-Jun will continue at FFY 14-15 models
  - Will collect \$57.3 million in fees every month for the rest of this year
  - Total that will be collected for SFY 15-16 is \$805 million
- No proposed change from the governor to the revenue collection for the state fiscal year
- FFY 15-16 model proposing \$670 million in fees
  - Jul-Sept will be reducing amount to \$51.3 million
  - Oct 2016 going forward will be at \$55.8 million
- FFY 15-16 Model Summary
  - \$670 million in fees
  - Total payment of \$1.1 billion
  - Net reimbursement gain approximately \$287 million
  - Our federal match rate beginning Oct 2015 is 50.72%
- DSH allotment expected to be reduce FFY 16-17
  - Decline in January 2017 and will decline to 90% over a few years
- We are still operating under FFY 14-15 model
  - Total fees are \$688 million
  - Net reimbursement gain to hospitals \$335 million
  - Federal share 51.01%
- FFY 2015-16 compared to FFY 2014-15
  - Reduction in fees by \$18.6 million
  - Payments will be reduced \$66 million
  - Net reimbursement to hospitals changes, reduced by \$47.4 million
  - Administration costs are very low as a function of total expenditures for this program. That includes our staff, a variety of contracts, and things that go into our expansion population
- 14% decrease in net reimbursement for hospitals



- **John Gardner** – This has significant impact on rural facilities. The spirit of the provider fee was to create access to care to the Medicaid population. Is there value in sending a message to our representatives regarding the impact?
- Budget proposal also includes a 1% Medicaid rate reduction across the board
- Fee on net patient revenue limit for FFY 15-16 as budgeted will be at 4.96%
- The UPL as budgeted for FFY 15-16 will be at 92%

## 5. Draft Annual Report Review & Discussion

- Due every year on January 15<sup>th</sup>
- Cost shift data is going to be updated
- Changed from 11 to 5 payment methodologies
- Working with Colorado Hospital Association on the cost shift data portion
- Updated narrative regarding payments
- Made changes to indigent care program
  - Enrollment has declined by about 75% as expected
  - CICIP annual report published on Feb 1<sup>st</sup>
- Updated HQIP to reflect the FFY 14-15 measures
- Described how we get to Medicaid adjusted discharges
  - Normalize points to 46
  - Payment calculation
- In cost shift section, will remove graph about CICIP
- Need to cost shift for Medicaid has declined from what it was previously
- Updated Department's SFY 2014-15 expenditures under the hospital provider fee program
- Administrative expenditures were 1.6% of total expenditures
- Payment methodologies description updated

## 6. Public Comment

- No public comment

## 7. Action Items

- **John Gardner** motioned to draft letter to legislature of support for hospital provider fee enterprise legislation citing impact of the reduction on the Medicaid population and rural providers. **Dan Enderson** seconded the motion. Motion passed.

## 8. Additional Discussion

- No additional discussion



**9. The meeting was adjourned at 4:14 p.m.**

The next scheduled meeting is at 3:00 p.m. on Tuesday, December 15, 2015 at 303 E 17th Avenue, Denver, CO in conference room 11 BC.

Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Nancy Dolson at 303-866-3698 or [nancy.dolson@state.co.us](mailto:nancy.dolson@state.co.us) or the 504/ADA Coordinator [hcpf504ada@state.co.us](mailto:hcpf504ada@state.co.us) at least one week prior to the meeting.

